

FISCAL NOTE

HB 2600 – SB 2712

March 6, 2006

SUMMARY OF BILL: Authorizes the State Board of Education to promulgate rules to allow each school system, subject to adequate funding, to require seat belts or other restraint systems on school buses for use by the driver and all passengers.

ESTIMATED FISCAL IMPACT:

**Increase Local Govt. Expenditures – Exceeds \$3,224,000/Permissive
(For every 100 buses replaced)**

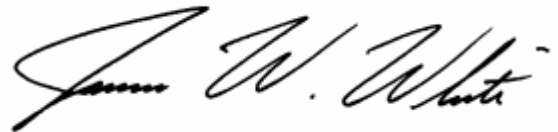
Assumptions:

- To the extent school systems opt to require seat belts or other restraint systems on school buses, local government expenditures would increase. Such increase would depend upon several factors, including (1) whether only newly purchased buses would have seat belts; (2) whether existing buses would be retrofitted with seat belts; (3) the reduced seating capacity as a result of adding seat belts and the cost to purchase additional buses as a result of such reduced capacity; (4) student safety; (5) what disciplinary action would be taken for students who refuse to wear the seat belts; (6) school liability; (7) and the funding needs of the school system.
- New buses are purchased each year due to the retirement of old buses and to handle population growth. The above projection is based on the estimated replacement cost of 100 buses being retired with 100 new buses with seatbelts. Currently, the majority of buses purchased are 78-passenger buses. Under the provisions of this bill, these same styled transit buses, equipped with seatbelts would only be able to accommodate a maximum of 59 passengers (a 24% decrease in seating capacity). Therefore, to replace 100 retiring buses with new buses with seatbelts would result in an additional 24 buses being purchased to accommodate the same number of passengers.
- In FY07 the cost of a 78-passenger bus without seat belts will cost approximately \$77,500 and a 78-passenger bus with seatbelts (seating capacity of 59) will cost approximately \$88,500. The total cost for the additional 24 buses is estimated to be \$2,124,000 and would be paid in full in year one with local funds. The additional cost of replacing 100 old buses with new buses with seatbelts is estimated to be an additional \$11,000 per bus or \$1,100,000 which would also be paid with local funds.

- Based on current projections, for every 100 buses taken out of service, 124 buses would have to be purchased at an increase in local government expenditures of \$3,224,000.
- Due to the increase in the number of additional buses purchased, additional bus drivers, mechanics, benefits, fuel, tires, insurance, etc. would also be needed. Such factors could significantly increase the long term impact.
- In addition, an increase in expenditures by local school systems for transportation results in an estimated increase in state funds generated by the BEP formula for transportation in subsequent years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director